

EXCHANGE NATIONAL BANK OF CHICAGO  
130 South LaSalle Street  
Chicago, Illinois 60603

2-169A076

RECORDATION NO. 13667/A Filed 1425

June 17, 1982 13667

No. JUN 18 1982  
Date.....  
Fee \$ 100.00

JUN 18 1982-3 30 PM

RECORDATION NO. Filed 1425

INTERSTATE COMMERCE COMMISSION  
Agatha L. Mergenovich, Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

JUN 18 1982-3 30 PM  
INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

Re: Lease of Railroad Equipment dated April 1, 1982  
between ITT Continental Baking Company, Inc. and  
Exchange National Bank of Chicago, as Trustee

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. Section 11303 and the Commission's rules and regulations thereunder, enclosed for filing on behalf of Modern Woodmen of America are counterparts of the following documents:

- New number* (1) Lease of Railroad Equipment dated as of April 1, 1982, between ITT Continental Baking Company, Inc. and Exchange National Bank of Chicago as Trustee under Trust Agreement dated as of April 1, 1982 with Portec Lease Corporation.
- A (2) Security Agreement dated as of April 1, 1982 between Exchange National Bank and Modern Woodmen of America.

The names and addresses of the parties to the aforementioned Lease and Security Agreement are:

- (1) Owner-Trustee-Lessor:  
Exchange National Bank of Chicago,  
as Trustee under Trust Agreement  
dated as of April 1, 1982 with  
Portec Lease Corporation  
130 South LaSalle Street  
Chicago, Illinois 60603  
Attention: Corporate Trust Department
- (2) Lessee:  
ITT Continental Baking Company, Inc.  
Executive Offices  
P.O. Box 731  
Halstead Avenue  
Rye, New York 10585  
Attention: Elsa Carion  
Cary Schmiedel

JUN 18 3 27 PM '82  
RECEIVED  
FEE COLLECTION DEPT

*C. Schmiedel*

Ms. Agatha Mergenovich  
June 17, 1982  
Page Two

(3) Secured Party:

Modern Woodmen of America  
Mississippi River at Seventeenth Street  
Rock Island, Illinois 61201  
Attention: Investment Department

Please file and record the documents referred to in this letter and index them under the names of the Owner-Trustee-Lessor, the Lessee and the Secured Party.

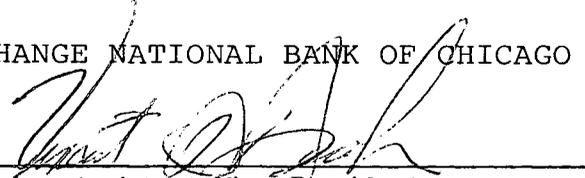
The Equipment subject to the Lease and Security is described in Annex A to the Lease and consists of thirty (30) 100 ton pressure differential covered hopper railroad cars, 5150 cubic feet capacity with serial numbers 550153, 550144, 550154 through 550157, inclusive, and 550180 through 550203, inclusive.

There is also enclosed a check for \$100.00 payable to the Interstate Commerce Commission, representing the fee for recording the Lease and Security Agreement.

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. Please deliver the remaining counterparts to the bearer of this letter.

Very truly yours,

EXCHANGE NATIONAL BANK OF CHICAGO

By: 

Assistant Vice President

Enclosures

3504B;6.12.82

13667 X  
RECORDATION NO. .... Filed 1425

JUN 13 1982 -3 30 PM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of April 1, 1982, (hereinafter called the "Security Agreement"), between Exchange National Bank of Chicago, not in its individual capacity but solely as Trustee under a Trust Agreement with Portec Lease Corp. dated as of April 1, 1982 (such Trustee being hereinafter referred to as the "Company"), whose post office address is 130 South LaSalle Street, Chicago, Illinois 60603, and Modern Woodmen of America (the "Secured Party"), whose post office address is Mississippi River at Seventeenth Street, Rock Island, Illinois 61201.

WHEREAS, The Company and the Secured Party have entered into a Participation Agreement of even date herewith (the "Participation Agreement") with Portec Lease Corp. and ITT Continental Baking Company, Inc., wherein, among other things, the Secured Party has agreed, subject to all of the terms and conditions hereof and of the Participation Agreement, to make loans to the Company on one Closing Date (as hereinafter defined) in an amount not to exceed \$1,217,370.76 and

WHEREAS, in order to evidence such loan, the Company shall issue to the Secured Party on the Closing Date its non-recourse secured note in the principal amount determined pursuant to Section 2 hereof (which together with all substituted or restated notes issued pursuant hereto are collectively referred to as the "Note" and which Note is substantially in the form of Schedule I attached hereto). The Note shall provide for 236 monthly installments of principal and interest payable on the 30th day succeeding the Closing Date and on the corresponding day of each succeeding month thereafter in amounts set forth in Payment Schedule attached to the Note, with interest at the rate of 16.5% per annum (based on a 360 day year of twelve 30-day months) payable in arrears beginning one month from the date of disbursement at the rate herein provided each and every month thereafter, through and including the 236th month after the date of disbursement, all as described in the Note; and

WHEREAS, The proceeds of the loan are to be applied to finance in part the acquisition by the Company of the Items of Equipment described in Schedule II hereto from the vendor (the "Vendor") on the Closing Date; and

WHEREAS, all of the requirements of law have been or will be fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument to secure the Indebtedness Hereby Secured have been done and performed.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to secure the payment of the principal and interest on the Note according to its tenor and effect, and to secure the payment of all other Indebtedness Hereby Secured and the performance and observance of all the covenants and conditions contained in the Note, and this Security Agreement:

The Company hereby grants, bargains, cedes, transfers, assigns, mortgages, pledges, charges and grants, a security interest to and in favor of the Secured Party, its successors and assigns, in and to the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the "Collateral"):

The Equipment described in Schedule II hereto, (provided such Equipment has been delivered to and accepted on behalf of the Company pursuant to Section 2 of the Lease and not been released from such security interest pursuant to the express provisions hereof) together with all accessories, equipment, parts and appurtenances and enclosures, appertaining or attached to said Equipment whether now owned or hereafter acquired and all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, together with the proceeds thereof.

All right, title and interest of the Company as Lessor in and to the Lease, and any extensions or renewal thereof (other than the indemnities of the Lessee running to the Company and the Trustor contained in Sections 6 and 9 of the Lease and the indemnities of the Lessee running to the Trustor pursuant to the Indemnity Agreement dated as of April 1, 1982 between the Trustor and the Lessee (the "Indemnity Agreement" which shall be considered personal indemnities and not part of the security assignment contained herein) including without limitation, the immediate and continuing right to collect and receive all rentals due thereunder, insurance proceeds (excluding therefrom liability insurance payments payable directly to the Trustee or Trustor), Casualty Value Payments, and any other payments of any kind for or with respect to the Equipment, all proceeds, revenues, and other income of any Equipment which is subjected or required to be subjected to the Security Agreement, together with all rights, powers, privileges, options, benefits, claims and demands of the Company as Lessor in and under the Lease.

TO HAVE AND TO HOLD, the Collateral unto the Secured Party, its successors and assigns, forever; upon the terms herein set forth, provided, always, however, that these presents are upon the express

condition that if the Company shall pay or cause to be paid all the Indebtedness Hereby Secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Note contained, then these presents and the security interest hereby granted shall cease and this Security Agreement shall become null and void; otherwise this Security Agreement shall remain in full force and effect.

SECTION 1: DEFINITIONS

The following terms shall have the following meanings for all purposes of this Security Agreement:

"Closing Date" shall be such date as the Lessee, the Secured Party, the Trustor and the Company may agree. The Closing Date shall not be later than July 31, 1982. There shall be only one Closing Date.

"Equipment" or "Items of Equipment" shall mean the railroad equipment described in Schedule II hereto, together with any and all substitutions, renewals, replacements, accessories, appliances, equipment, parts and appurtenances, whether now owned or hereafter acquired by the Company from time to time incorporated or installed therein or thereon and "Item of Equipment" shall mean any one of said Items of Equipment.

"Event of Default" shall mean any of the events specified in Section 9 hereof to constitute an Event of Default.

"Indebtedness Hereby Secured" shall mean the amount loaned to the Company and evidenced by the Note and all principal thereof and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Company under the terms of the Note or this Security Agreement.

"Lease" shall mean the Lease of Equipment dated as of even date herewith, among the Company, as lessor, and the Lessee, as lessee.

"Lessee" shall mean ITT Continental Baking Company, Inc., a Delaware corporation.

"Note" shall mean as of any particular time, any Note, as defined in the second "Whereas" clause herein, and extensions and renewals thereof delivered by the Company and secured hereby.

"Purchase Price" shall mean the aggregate invoiced purchase price stated in U.S. dollars, including all applicable sales and use taxes, transportation charges, and assembly cost of each

Item of Equipment as that amount is specified in the Certificate of Acceptance (as defined in Section 2 of the Lease) and which has been certified as to correctness by the Lessee.

"Rent" shall mean for any one Item of Equipment, the aggregate rent payable, if any, for such Item of Equipment pursuant to the Lease and for all Equipment, the aggregate of all such rents payable for all Items of Equipment subject to the Lease.

"Trustor" shall mean Portec Lease Corp., a Delaware corporation.

"Vendor" shall mean North American Car Corporation, a Delaware corporation.

## SECTION 2: PAYMENT OF LOAN PROCEEDS

Subject to the provisions in the Participation Agreement relating to closing conditions, specified Items of Equipment will be delivered and accepted on the Closing Date and the loan proceeds disbursed on the Closing Date. On the Closing Date, the Secured Party shall disburse and transfer to the Vendor, or at the Secured Party's election to the Company to be paid to the Vendor in accordance with Section 2 of the Participation Agreement, an amount equal to 56.0495% of the Purchase Price of the relevant Items of Equipment closed for on such date.

Provided, however, that the Secured Party shall not be obligated to make loans on Equipment delivered after June 18, 1982; further provided that the aggregate amount disbursed pursuant to this Section 2 shall not exceed \$1,217,370.76.

The Company shall appoint an agent on behalf of the Secured Party and the Company to inspect the Equipment and to sign a Certificate of Acceptance in the form of Exhibit B to the Lease, whereupon the Equipment so delivered shall be deemed subject to this Security Agreement.

## SECTION 3: LEGEND ON NOTE

The Note secured hereby shall contain the following legend:

"This Note is secured by a Security Agreement by and between Exchange National Bank of Chicago, Trustee, as Debtor, and Modern Woodmen of America, as Secured Party."

## SECTION 4: COVENANTS AND WARRANTIES OF THE COMPANY

The Company covenants, warrants and agrees for the benefit of the Secured Party as follows:

Section 4.1 Warranty of Title. Upon delivery of the Equipment and its acceptance by the Company pursuant to the Participation Agreement, the Company will have good and marketable title to the Equipment, free and clear of all liens arising by or through the Company, other than liens created by this Security Agreement and the rights of Lessee under the Lease and will warrant and defend such title, and the Company will have full right, power and authority to grant a security interest in the Collateral to the Secured Party. The Company shall not create or suffer the creation of any liens, charges or encumbrances on the Collateral during the term of this Security Agreement other than those expressly permitted in this Section 4.1, without the prior written consent of the Secured Party. The Company shall not transfer its interest in the Collateral or the Security Agreement until the successor to the Company has signed such amendments and made such filings as the Secured Party deems necessary and sufficient to maintain the lien and all other rights of the Secured Party. The Company shall not modify or amend the Lease or declare or waive any default thereunder without the Secured Party's prior written consent.

Section 4.2 After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Company or the Secured Party become and be subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 4.2 contained shall be deemed to modify or change the obligation of the Company under Section 4.4 hereof.

Section 4.3 Method of Payment. All payments due on the Note or under this Security Agreement shall be made by the Company to the Secured Party by the wire transfer of immediately available funds to:

Harris Trust and Savings Bank  
111 West Monroe Street  
Chicago, Illinois 60690

For Account of Modern Woodmen of America  
Account #347-904-5

or such other address as the Secured Party may from time to time appoint in writing to the Company.

Section 4.4 Further Assurances. The Company will, at no expense to the Secured Party, do, execute, acknowledge and deliver all further acts, deed, conveyances, transfers and assurances as Secured Party deems necessary or proper for the perfection of the security interest being granted in respect of the Collateral whether now owned or hereafter acquired.

Section 4.5 Recordations and Filings. The Company will cause this Security Agreement and all supplements or amendments hereto and the Lease and all supplements or amendments thereto, all financing and continuation statements and similar notices required by applicable law to be kept, recorded and filed at all times, and filed at no expense to the Secured Party, with the Interstate Commerce Commission, pursuant to 49 U.S.C. § 11303, and in such other places as the Secured Party determines necessary and sufficient in order to perfect the lien of the Secured Party in the Collateral.

Section 4.6 Markings. The Company will cause each Item of Equipment to be marked distinctly, plainly and permanently in letters not less than one inch in height as follows:

"Leased from EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee, Chicago, Illinois, and subject to Security Interest held by MODERN WOODMEN OF AMERICA and filed with the Interstate Commerce Commission."

with appropriate changes thereof and additions thereto as from time to time may be required by law to protect the lien of the Secured Party.

#### SECTION 5: POSSESSION, USE AND RELEASE OF EQUIPMENT

Section 5.1 Possession of the Equipment. So long as no Event of Default shall have occurred and be continuing, the Lessee shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; provided always, that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement.

Section 5.2 Release of Equipment Following Payment of Casualty Value by Lessee. So long as no Event of Default, referred to in Section 10 of the Lease, has occurred and is continuing, the Secured Party shall execute a release in respect of any Item of Equipment which has suffered a Casualty Occurrence as defined in Section 7 of the Lease upon receipt by the Secured Party of: (i) written notice from the Company designating the Item of Equipment in respect of which the Lease will terminate and (ii) the prepayment of the Note required by Section 7.2 hereof in respect of such Item of Equipment.

#### SECTION 6: TAXES

All payments to be made by the Company hereunder will be free of expense to the Secured Party for collection or other charges and will be free of expense to the Secured Party with respect to the

amount of any local, state, federal or foreign taxes (excluding any tax levied on the net income of the Secured Party or any franchise tax in lieu thereof) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called "Impositions") hereafter levied or imposed upon or in connection with or measured by this Security Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which Impositions the Company assumes and agrees to pay on demand in addition to the Purchase Price of the Equipment. The Company will also pay promptly all Impositions which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom and will keep at all times all and every part of the Equipment free and clear of all Impositions which might in any way affect the lien of the Secured Party or result in a lien upon any part of the Equipment; provided, however, that the Company shall be under no obligation to pay any Imposition of any kind so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the opinion of the Secured Party, adversely affect the security, title, property or rights of the Secured Party in or to the Equipment or otherwise under this Security Agreement. If any Impositions shall have been charged or levied against the Secured Party directly and paid by the Secured Party, the Company shall reimburse the Secured Party upon presentation of an invoice therefor, and any amounts so paid by the Secured Party shall be secured by and under this Agreement; provided, however, that the Company shall not be obligated to reimburse the Secured Party for any Impositions so paid unless the Secured Party shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Secured Party) or unless the Company shall have approved the payment thereof.

#### SECTION 7: MANNER OF PREPAYMENT OF NOTES

Section 7.1 Prepayments. No prepayment of the Note may be made except to the extent and in the manner expressly permitted by this Security Agreement.

Section 7.2 Required Prepayments, Casualty Occurrences. The Company covenants and agrees that if any Item of Equipment suffers a Casualty Occurrence (as defined in Section 7 of the Lease) and settlement therefor is required under the provisions of said Section 7, then on the date for such settlement provided for in said Section 7, the Company will make a principal prepayment on the Note in respect of such Item or Items of Equipment in the amount hereinafter provided, together with the accrued interest on the amount of such principal prepayment and the premium, if any, applicable to such prepayment. The principal prepayment required by this Section 7.2 in respect of each Item of Equipment described in Schedule II

attached hereto shall be determined by multiplying the unpaid principal amount of the Note immediately prior to such prepayment by a fraction in which the numerator is the original Purchase Price of such Item of Equipment and the denominator is the aggregate Purchase Price of all Items of Equipment which are at such time subject to the Lease and this Security Agreement immediately prior to such prepayment.

In applying monies received by the Secured Party in respect of a Note prepayment pursuant to this Section 7.2, the Secured Party agrees as follows:

(a) All amounts received by the Company which constitute payment by the Lessee of Casualty Value shall be applied first to accrued interest and then to principal on the Note in respect of such Casualty Occurrence in the amount as calculated in this Section 7.2 and, provided no Event of Default has occurred or is continuing, any Casualty Value payment received by the Secured Party in excess of the prepayment on the Note, as calculated in this Section 7.2, shall be retained by the Company.

(b) The amounts received by the Company from time to time which constitute proceeds of casualty insurance maintained pursuant to Section 8 hereof in respect of the Equipment, shall be held by the Company for the account of the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(i) so long as no Event of Default has occurred and is continuing the proceeds of such insurance shall, if the Equipment is to be repaired, be remitted to the Company to reimburse the Lessee for expenditures made for such repair upon receipt by the Secured Party of proof satisfactory to the Secured Party that any damage to the Equipment in respect of which such proceeds were paid has been fully repaired; or

(ii) so long as no Event of Default has occurred and is continuing the proceeds of such insurance shall, if the Secured Party has received the Casualty Value in respect of the Items suffering a Casualty Occurrence, be remitted to the Company for repayment to the Lessee to the extent of the Casualty Value paid by the Lessee and the balance thereof shall be applied by the Company in accordance with the Trust Agreement.

Section 7.3 Notice of Prepayment; Partial Prepayment; Deposit of Monies. In the case of any prepayment of the Note pursuant to this Section 7, notice thereof in writing to the Secured Party shall be sent by the Company by certified or registered mail, postage prepaid, promptly after notice from the Lessee of a Casualty

Occurrence with respect to any Item of Equipment. Such notice shall specify the date fixed for prepayment, the provision hereof under which such prepayment is being effected, the amount that on the date fixed for prepayment will become due and payable upon the Note or the portion thereof so to be prepaid, and the specified amount to be paid on such date.

SECTION 8: INSURANCE TO BE MAINTAINED.

(1) The Company will cause the Lessee to maintain and carry at all times during the term of this Security Agreement at no expense to the Secured Party (i) casualty insurance in respect of the Equipment at the time subject hereto in an amount at least equal to the Casualty Value of the Equipment, and (ii) public liability insurance with respect to third party personal and property damage. The Company will cause the Lessee to continue to carry such insurance with such deductibles (not to exceed \$50,000 per occurrence), in such amounts (which, with respect to the above-mentioned public liability insurance, shall not be less than \$10,000,000 for any single occurrence), and for such risks and with such insurance companies as is consistent with prudent industry practice, but in any event with no greater deductibles and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Equipment. The proceeds of the property insurance shall be payable to the Secured Party, the Company, the Trustor and the Lessee, as their interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancellation or material change in coverage to the Lessor and the Secured Party and (ii) name the Company, the Trustor and the Secured Party as additional named insureds, as their respective interests may appear and shall provide that, in respect of the interests of the Company, the Trustor and the Secured Party in such policies, the insurance shall not be invalidated by any action or inaction of the Lessee, and shall insure the Company, the Trustor, and the Secured Party regardless of any breach or violation of any warranty, declaration or condition contained in such policies (or in the application therefor or in any other document submitted to the insurer in connection therewith) by the Lessee. Prior to the first date of delivery of any Item of Equipment pursuant to the Lease, and thereafter not less than 5 days prior to the expiration dates of the expiring policies required pursuant to this Section 8, the Company shall cause the Lessee to deliver to the Company and the Secured Party certificates of insurance issued by the insurers thereunder evidencing the insurance maintained pursuant to this Section 8; provided, however, that if the delivery of a certificate is delayed, the Company shall cause the Lessee to deliver an executed binder with respect thereto and shall deliver the formal certificate upon receipt thereof.

(2) In the event that the Lessee or the Company shall fail to maintain insurance as herein provided, the Secured Party may at its option provide such insurance (giving the Company and the Lessee prompt written notice thereof), and in such event, the Company shall, upon demand from time to time, reimburse the Secured Party for the cost thereof and, until the same is paid the cost thereof shall become part of the Indebtedness Hereby Secured and shall bear interest at the rate provided for in the Note.

SECTION 9:        DEFAULTS AND REMEDIES

Section 9.1       Events of Default. Any of the following occurrences or acts shall constitute an Event of Default under this Security Agreement.

(A) (i) The Company shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or the Company shall admit in writing its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors, or the Company shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under the Federal Bankruptcy Code (11 U.S.C. §101, et. seq.) as now or hereafter in effect) or an answer admitting the material allegations of a petition filed against the Company in any such proceeding, or the Company shall by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of corporations, or providing for an agreement, composition, extension or adjustment with its creditors; or

(ii) An order, judgment or decree shall be entered by any court or governmental agency of competent jurisdiction appointing, without the consent of the Company, a receiver, trustee or liquidator of the Company or of any substantial part of its property, or any substantial part of the property of the Company shall be sequestered, and any such order, judgment or decree of appointment or sequestration shall remain in force undismitted, unstayed or unvacated for a period of 60 days after the date of entry thereof; or

(iii) A petition against the Company in a proceeding under the Federal Bankruptcy Code or other insolvency laws (as now or hereafter in effect) shall be filed and shall not be withdrawn or dismissed within 60 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to the Company, any court of competent jurisdiction shall assume jurisdiction,

custody or control of the Company or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 60 days; or

(B) Default in payment of an installment of the principal of, or interest on, the Note when and as the same shall become due and payable, whether at the due date thereof, or at the date fixed for prepayment, or by acceleration or otherwise, and any such default shall continue unremedied for six days;

(C) Default on the part of the Company in the due observance or performance of any covenant or agreement to be observed or performed by it under this Security Agreement and such default shall continue unremedied for 30 calendar days after the earlier of the receipt of actual knowledge by an officer of the Company or the receipt of written notice from the Secured Party to the Company and the Lessee specifying the default and demanding the same to be remedied; or

(D) Any material representation or warranty made by or on behalf of the Company herein or in the Participation Agreement or in any report, certificate, financial or other statement furnished by or on behalf of the Company in connection with this Security Agreement, the Lease or the Participation Agreement or the transactions contemplated hereby and thereby shall prove to be false or misleading in any respect material to the transactions contemplated by the Participation Agreement as of the date of the issuance or making thereof; or

(E) Any claim, lien or charge arising as a result of the action of the Company or the Trustor (other than the lien arising hereunder or under the Lease and liens, charges and encumbrances which the Lessee is obligated to discharge under Section 5 of the Lease) shall be asserted against or levied or imposed upon the Equipment, and such claim, lien or charge shall not be discharged or removed within 30 calendar days after such assertion, levy or imposition; provided, however, that the Company shall not be required to pay or discharge any such claim, lien or charge so long as the validity thereof shall be contested in good faith and by any appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Secured Party, adversely affect the property or rights of the Secured Party in the Equipment or otherwise under this Security Agreement, nor shall it constitute an Event of Default hereunder if such claim, lien or charge arose by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case not delinquent.

(F) A condition of default under the terms of the Lease shall continue after the time provided for any party to cure the default has expired.

Section 9.2 Secured Party's Rights. The Company agrees that, subject to Sections 9.3 and 11 hereof, when any Event of Default has occurred, and is continuing, the Secured Party shall, without limitation of all other rights and remedies available at law or in equity, have the rights, options, duties and remedies of a secured party, and the Company shall have the rights and duties of a debtor, under the Uniform Commercial Code of Illinois (regardless of whether such Code or law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(A) The Secured Party may by notice in writing to the Company, declare the entire unpaid balance of the Note to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable.

(B) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to terminate the Lease and all rights of possession of the Equipment, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Company or the Lessee where the Equipment is located, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same or use and operate or lease the same until sold and may otherwise exercise any and all of the rights and powers of the Company in respect thereof;

(C) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Company and the Lessee once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Collateral, or any part thereof, either

at a private sale, or at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales without further notice, and the Secured Party may bid and become the purchaser at any such sale. Also in the case of any such sale to the Secured Party, for the purpose of making settlement for or payment of the Purchase Price, the Secured Party shall be entitled to turn in and use the Note and any claims for interest matured and unpaid thereon, in order that there may be credited as paid out of the proceeds of such sale all amounts due under the Note, including principal and interest thereon, plus the Secured Party's reasonable cost of such sale, which shall include the Secured Party's reasonable attorneys' fees.

(D) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may proceed to protect and enforce this Security Agreement and said Note, by suit or suits or proceedings in equity, at law or in bankruptcy and whether for the specific performance of any covenant or agreement herein contained, or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or for the obtaining of a judgment against the Company for the Indebtedness Hereby Secured or for the enforcement of any other legal or equitable remedy available under applicable law; and

(E) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may proceed to exercise all rights, privileges and remedies of the Company under the Lease, and may exercise all such rights and remedies, either in the name of the Secured Party or in the name of the Company for the use and benefit of the Secured Party.

Notwithstanding the foregoing, however, upon the occurrence of an Event of Default pursuant to Section 9.1(f) hereof, the Company may elect, within 30 days after receipt of written notice from the Secured Party accelerating the principal amount of the Note, to pay within said thirty day period all amounts then due and owing together with all interest accrued to such payment date, in which case the Company shall be fully discharged from all further obligations owed to the Secured Party under this Security Agreement or the Note.

Section 9.3 Waiver by the Company. To the extent now or at any time hereafter enforceable under applicable law, the Company

covenants that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any benefit or advantage of any stay or extension law now or at any time hereafter in force, nor claim, take nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales have been fully consummated including the payment of the Purchase Price, or after a contract for the sale of the Collateral has become fully binding upon the Secured Party and a contract purchaser, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every person, all benefit and advantage of any such law or laws, and the Company covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

Section 9.4 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company in and to the Collateral sold and shall be a perpetual bar, both at law and in equity, against the Company and its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Company and its successors or assigns.

Section 9.5 Application of Sale Proceeds. The purchase money proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid and applied as follows:

(A) To the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all expenses, liabilities and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior liens subject to which said sale may have been made;

(B) To the payment to the Secured Party of the amount then owing or unpaid on the Note, such proceeds to be applied first to interest on the unpaid principal balance and second to principal, and such application to be made upon presentation of the Note, and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

(C) To the payment of the surplus, if any, to the Company, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 9.6 Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned, then and in every such case the Secured Party shall be restored to its former position and rights hereunder with respect to the Collateral subject to the security interest created under this Security Agreement.

Section 9.7 Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or power arising from any default, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom, except as may be otherwise provided therein. No remedy hereunder is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Indebtedness Hereby Secured operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

Section 9.8 Waivers, Consents and Amendments to Security Agreement and Note. Compliance with any term, covenant, agreement or condition of this Security Agreement may be waived by the Secured Party (either generally or in a particular instance and either retroactively or prospectively) and this Security Agreement and the Note may be amended from time to time by written agreement and this Security Agreement and the Note may also be amended from time to time, by written agreements between the Company (with the written consent of the Trustor) and the Secured Party expressly waiving or amending the same, to cure any ambiguity or to correct any defective or inconsistent provisions herein or in any such amendment contained, or to make any other changes in the provisions of this Security Agreement and/or the Note.

#### SECTION 10: APPOINTMENT OF AGENT OR TRUSTEE FOR THE SECURED PARTY

If at any time or times it shall be necessary or prudent in order to conform to any law of any jurisdiction in which the Equipment or any thereof is located, or the Secured Party shall be advised by counsel, satisfactory to it, that it is so necessary or

prudent in the interest of the Secured Party to appoint an agent to accept payments to be made under this Security Agreement and the Note, the Secured Party shall execute and deliver all instruments and agreements necessary or proper to appoint a bank or trust company or one or more persons approved by the Secured Party, as agent. Thereupon, the Company, after having received written notice of the creation of the agency or trust and the terms and conditions of the agency or trust shall deal with such agent or trustee as if the agent were the Secured Party. The Secured Party shall hold harmless the Company for dealing with such agent or trustee until such time as the Company has received from the Secured Party written notice of the termination or modification of the agency or trust agreement.

SECTION 11: LIMITATIONS OF LIABILITY OF THE COMPANY

It is expressly understood and agreed that anything in this Security Agreement, the Note, the Lease, any certificate, opinion or document of any nature whatsoever to the contrary notwithstanding, the Secured Party shall not have any claim, remedy or right to proceed (in law or equity) against the Company or the Trustor in their individual corporate capacities (other than for the gross negligence or wilful misconduct of the Company or the Trustor and in such case the gross negligence or wilful misconduct of one such party shall not permit the Secured Party to proceed against the other party) for any deficiency or any principal, interest or other sum owing on account of the indebtedness evidenced by the Note or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever from any source other than the Collateral, and the Secured Party by the execution hereof, and by acceptance of the Note, waives and releases any liability of the Company and the Trustor for and on account of such indebtedness or such liability; and the Secured Party agrees to look solely to the Equipment and to the Lease for the payment of said indebtedness or the satisfaction of such liability.

It is further expressly understood and agreed, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, undertakings, covenants and agreements herein made on the part of the Company are each and every one of them made and intended not as personal representations, warranties, undertakings, covenants and agreements by said Company personally, but are made and intended for the purpose of binding only the Trust Estate (the "Trust Estate") as such term is used in the Trust Agreement between the company and the Trustor thereunder (the "Trust Agreement") and this Security Agreement is executed and delivered by said Company solely in the exercise of the powers expressly conferred upon said Company as Trustee under said Trust Agreement and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said Company or the Trustor under the Trust Agreement or on account of any representation, warranty, undertaking, covenant or agreement of

said Company, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Secured Party and by all persons claiming by, through or under the Secured Party, provided, however, that the Secured Party or any person claiming by, through or under the Secured Party, making claim hereunder, may look to said Trust Estate for satisfaction of the same. Nothing herein contained shall limit, restrict or impair the rights and remedies provided to the Secured Party herein to accelerate the maturity of the Note upon a default thereunder and to bring suit and obtain a judgment against the Company (provided that said Company in its fiduciary or individual capacity and the Trustor in its individual capacity shall not have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of said Company), or subject to the terms and conditions of the Lease, to foreclose the lien and security interest created by this Security Agreement or otherwise realize upon the Trust Estate, including the right to proceed against the Lessee hereunder or under the Lease.

The obligations of the Company under Sections 4.5, 4.6, 6 and 8(1) hereof shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease. The Company shall not have any responsibility for the Lessee's failure to perform such obligations, but if the same shall not be performed they shall constitute the basis for an Event of Default pursuant to Section 9 hereof, provided that the failure of the Lessee to perform such obligations shall not constitute an Event of Default hereunder unless and until the Lessee is declared to be in default under the Lease. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Company.

SECTION 12: ASSIGNMENT OF LEASE

To further secure the payment of the full amount of the Indebtedness Hereby Secured, and all other payments as herein provided and for the performance of the Company's obligations herein contained, the Company does hereby assign, transfer, set over and grant unto the Secured Party, a security interest in, all the Company's right, title and interest, as Lessor under the Lease, together with all rights, powers and privileges, and all other benefits of the Company as Lessor under the Lease (except for indemnities running from Lessee to the Company or the Trustor contained in Sections 6 and 9 of the Lease and the indemnities of the Lessee running to the Trustor pursuant to the Indemnity Agreement which shall be considered personal indemnities and not part of the security assignment contained herein to the extent that the Lessee has agreed to separately indemnify the Secured Party in each such instance) including, without limitation, except as hereinafter provided, the immediate right to receive and collect all rentals and profits and other sums payable to or receivable by the Company under or pursuant to the provisions of the Lease, and the right to make all waivers and agreements, to give all notices, consents and

releases, to take all action upon the happening of an Event of Default under the Lease and to do any and all other things whatsoever which the Company as Lessor, is or may become entitled to do under the Lease, provided, however that unless and until the Secured Party shall notify the Lessee in writing, the Lessee shall make all payments required under the Lease to the Company. In furtherance of the foregoing assignment, the Company hereby irrevocably authorizes and empowers the Secured Party, in its own name or in the name of its nominee, or in the name of the Company, or as its attorneys, to ask, demand, sue for, collect and receive any and all sums to which the Company is or may become entitled under the Lease other than payments pursuant to Sections 6 and 9 thereof, and to enforce compliance by the Lessee with all the terms and provisions of the Lease. The Company further agrees to notify the Secured Party promptly of any Event of Default under the Lease of which it has notice or actual knowledge. This assignment, being made only as security except as otherwise expressly provided herein shall not subject the Secured Party to, or transfer, or pass, or in any way affect or modify, the liability of the Company under the Lease, it being understood and agreed that notwithstanding this assignment, or any subsequent assignment, all obligations of the Company to the Lessee under the Lease, shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Company. Further, the Company covenants and agrees that it will perform all its obligations to be performed under the terms of the Lease, and hereby irrevocably authorizes and empowers the Secured Party, in its own name, or in the name of its nominee, or in the name of the Company, as its attorney, on the happening of any failure by the Company to perform or cause to be performed any such obligation. Upon the full discharge and satisfaction of the full amount of the Indebtedness Hereby Secured and full performance of all of the covenants herein contained, the assignment made hereby and all rights herein assigned to the Secured Party shall cease and terminate and revert to the Company.

Regardless of any breach under this Security Agreement by the Company, or of any possession or sale of all of the Equipment or any Item of Equipment under or through this Security Agreement, the Lease and possession of the Equipment by Lessee shall not be disturbed by the Secured Party or any person claiming through the Secured Party, provided the Lessee shall continue to observe and perform its obligations thereunder, including the payment of rent to whomsoever may be entitled thereto from time to time.

### SECTION 13: MISCELLANEOUS

Section 13.1 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement

contained by or on behalf of the Company or by or on behalf of the Secured Party shall bind and inure to the benefit of the respective successors and assigns of such parties.

Section 13.2 Partial Invalidity. The enforceability or invalidity of any provision or provisions of the Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid, provided that nothing contained in this Section 13.2 shall be construed to amend or modify the immunities of the Company in its individual corporate capacity as provided for in Section 11 hereof or the Trustor, in its individual corporate capacity, or to amend or modify any limitations or restrictions of the Secured Party or its successors or assigns under said Section 11.

Section 13.3 Communications. All communications provided for herein shall be in writing. Communications to the Company or the Secured Party shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when addressed and delivered by first class certified or registered mail, return receipt requested as follows:

If to the Company:	Exchange National Bank of Chicago 130 South LaSalle Street Chicago, Illinois 60603 Attn: Corporate Trust Department
If to the Lessee:	ITT Continental Baking Company Inc. Halstead Avenue Rye, New York 10580
If to the Trustor:	Portec Lease Corp. 300 Windsor Drive Oakbrook, Illinois 60521 Attn: Mr. W. Farnsworth
If to Secured Party:	Modern Woodmen of America Mississippi River at Seventeenth St. Rock Island, Illinois 61201 Attention: Investment Department

or to the Company, the Trustor, the Lessee or the Secured Party at such other address as the Company, the Lessee or the Secured Party may designate by notice duly given in accordance with this Section to the other parties.

Section 13.4 Release. The Secured Party shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all Indebtedness Hereby Secured has been fully paid or discharged.

Section 13.5 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

Section 13.6 Law Governs. The provisions of this Security Agreement, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the State of Illinois.

Section 13.7 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Company and the Secured Party have caused this Security Agreement to be executed as of the day and year first above written.

MODERN WOODMEN OF AMERICA

By W. B. Foster  
Its *President*

ATTEST:

J. V. Anderson  
*National Secretary*

EXCHANGE NATIONAL BANK OF CHICAGO,  
not in its individual capacity, but  
solely as Trustee under a Trust  
Agreement dated as of April 1, 1982  
with Portec Lease Corp.

By \_\_\_\_\_  
Its

(SEAL)

ATTEST:

\_\_\_\_\_

Section 13.5 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

Section 13.6 Law Governs. The provisions of this Security Agreement, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the State of Illinois.

Section 13.7 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Company and the Secured Party have caused this Security Agreement to be executed as of the day and year first above written.

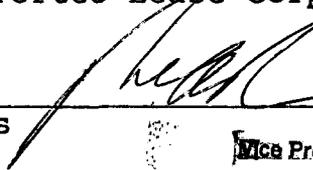
MODERN WOODMEN OF AMERICA

By \_\_\_\_\_  
Its

ATTEST:

\_\_\_\_\_

EXCHANGE NATIONAL BANK OF CHICAGO,  
not in its individual capacity, but  
solely as Trustee under a Trust  
Agreement dated as of April 1, 1982  
with Portec Lease Corp.

By  \_\_\_\_\_  
Its Vice President

(SEAL)

ATTEST:

  
\_\_\_\_\_

NOTARY PUBLIC

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF ~~COOK~~ Rock Island

On this 14th day of June, 1982, before me appeared W. B. Foster and J. V. Standaert, personally known to me to be the ~~Vice~~ President and National Secretary of MODERN WOODMEN OF AMERICA, respectively and personally known to me to be the same persons whose names are subscribed to in the foregoing instrument, and severally acknowledged that as such ~~Vice~~ President and National Secretary, they signed and delivered the said instrument on behalf of said corporation and caused the corporate seal to be affixed thereto by the authority of its Board of Directors as the free and voluntary act of said corporation for the uses and purposes set forth.

Paul E. Mittman  
NOTARY PUBLIC

My Commission Expires: 12/18/83

( S E A L )

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF C O O K )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1982 before me appeared \_\_\_\_\_ and \_\_\_\_\_ personally known to me to be the Vice President and Assistant Trust Officer of EXCHANGE NATIONAL BANK OF CHICAGO, respectively and personally known to me to be the persons whose names are subscribed to in the foregoing instrument, and severally acknowledged that as such Vice President and Assistant Trust Officer they signed and delivered said instrument on behalf of said corporation and caused the corporate seal to be affixed thereto by the authority of its Board of Directors as the free and voluntary act of said corporation for the uses and purposes set forth.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

( S E A L )

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1982, before me appeared \_\_\_\_\_ and \_\_\_\_\_, personally known to me to be the Vice President and \_\_\_\_\_ Secretary of MODERN WOODMEN OF AMERICA, respectively and personally known to me to be the same persons whose names are subscribed to in the foregoing instrument, and severally acknowledged that as such Vice President and \_\_\_\_\_ Secretary, they signed and delivered the said instrument on behalf of said corporation and caused the corporate seal to be affixed thereto by the authority of its Board of Directors as the free and voluntary act of said corporation for the uses and purposes set forth.

\_\_\_\_\_  
NOTARY PUBLIC

( S E A L )

My Commission Expires: \_\_\_\_\_

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF C O O K )

On this 14 day of JUNE, 1982 before me appeared BEN A. ROSEN and VINCENT B. ROWLER personally known to me to be the Vice President and Assistant Trust Officer of EXCHANGE NATIONAL BANK OF CHICAGO, respectively and personally known to me to be the persons whose names are subscribed to in the foregoing instrument, and severally acknowledged that as such Vice President and Assistant Trust Officer they signed and delivered said instrument on behalf of said corporation and caused the corporate seal to be affixed thereto by the authority of its Board of Directors as the free and voluntary act of said corporation for the uses and purposes set forth.

Marion L. Fritscher  
NOTARY PUBLIC

( S E A L )

My Commission Expires: March 1, 1986

## SCHEDULE I

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND NO TRANSFER HEREOF MAY BE EFFECTED UNLESS THE TRANSACTION RELATING THERETO SHALL BE EXEMPT WITHIN THE MEANING OF SUCH ACT AND THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION ADOPTED THEREUNDER.

THIS NOTE IS SECURED BY A SECURITY AGREEMENT BY AND BETWEEN EXCHANGE NATIONAL BANK OF CHICAGO, TRUSTEE, AS DEBTOR, AND MODERN WOODMEN OF AMERICA, AS SECURED PARTY.

SECURED NOTE

FOR VALUE RECEIVED, the undersigned, EXCHANGE NATIONAL BANK OF CHICAGO, not individually, but solely as Trustee under a Trust Agreement dated as of April 1, 1982, (the "Company"), hereby promises to pay to the order of the MODERN WOODMEN OF AMERICA or its assigns, the principal sum of ONE MILLION TWO HUNDRED SEVENTEEN THOUSAND THREE HUNDRED SEVENTY and 76/100THS DOLLARS (\$1,217,370.76) payable in monthly installments of principal and interest commencing 30 days from the date of disbursement and on the corresponding day of each succeeding month thereafter in amounts set forth in the Payment Schedule attached hereto.

The principal amount outstanding from time to time shall bear interest at the rate of 16.5% per annum, and all payments in respect hereof which shall remain unpaid after the same shall become due and payable, whether by acceleration or otherwise, shall bear interest at the lesser of the rate of 17.5% per annum or the maximum rate allowed by law. All payments received will be applied first to interest on the unpaid principal balance and the remainder to principal. Said payments shall be made in immediately available funds at such address as the holder may from time to time direct in writing. All interest shall be based on a 360-day year of twelve thirty-day months.

Reference is made to said Security Agreement (the "Security Agreement") and all supplements and amendments executed pursuant to the Security Agreement for a description of the Collateral, the nature and extent of the security and rights of the Secured Party and of the Company in respect thereof.

This Note may be declared due prior to its expressed maturity and certain prepayments may be, or are required to be, made thereon, all in the events, on the terms and in the manner provided for in the Security Agreement.

The terms and provisions of the Security Agreement and the rights of the obligations of the Company and the rights of the

Secured Party may be changed and modified to the extent permitted by and as provided in the Security Agreement.

Anything in this Note, the Security Agreement, the Lease of Equipment dated as of April 1, 1982 (the "Lease") between the Company and ITT Continental Baking Company, Inc., the Trust Agreement dated as of April 1, 1982 between Portec Lease Corp. as Trustor (the "Trustor") and the Company as Trustee, any certificate, opinion or other document of any nature whatsoever to the contrary notwithstanding, it is understood and agreed that the Secured Party shall have no claim, remedy, or right to proceed at law or in equity against the Company or the Trustor in their individual corporate capacities (except in the case of gross negligence or willful misconduct of the Company or the Trustor and in such case the gross negligence or willful misconduct of one such party shall not permit the Secured Party to proceed against the other party) for any deficiency or any other sum owing on account of the indebtedness evidenced by this Note or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever from a source other than the "Collateral" as defined in the Security Agreement; and the Secured Party by its acceptance hereof, waives and releases any liability of the Company and the Trustor in their individual corporate capacities (except in the case of the gross negligence or willful misconduct of the Company or the Trustor as herein provided) for and on account of said indebtedness or in respect of any such liability, and the Secured Party agrees to look solely to the Collateral, including the rents and other sums due and to become due thereunder, for the payment of said indebtedness (which shall include any costs of collecting sums due hereunder, including attorney's fees) or the satisfaction of such liability; provided, however, nothing herein contained shall limit, restrict or impair the rights of the Secured Party under the Security Agreement to accelerate the maturity of the Note upon a default hereunder and to bring suit and obtain a judgment against the Company on the Note, provided that the satisfaction thereof shall be limited to the Collateral, including the rents and other sums due and to become due thereunder, including the right to proceed against the Lessee under the Lease.

Every maker, endorser and guarantor of this Note waives demand, presentment for payment, notice of dishonor, protest and notice of protest.

DATED: \_\_\_\_\_

EXCHANGE NATIONAL BANK OF CHICAGO  
not in its individual capacity but  
solely as Trustee under a Trust  
Agreement with Portec Lease Corp.,  
dated as of April 1, 1982.

(S E A L)

BY: \_\_\_\_\_  
President

ATTEST:  
  
\_\_\_\_\_

PAYMENT SCHEDULE

<u>Payment Number</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Outstanding</u>
1.	1,818.49	16,786.94	18,605.43	1,219,049.76
2.	1,843.50	16,761.93	18,605.43	1,217,206.26
3.	1,868.85	16,736.59	18,605.43	1,215,337.42
4.	1,894.54	16,710.89	18,605.43	1,213,442.87
5.	1,920.59	16,684.84	18,605.43	1,211,522.28
6.	1,947.00	16,658.43	18,605.43	1,209,575.28
7.	1,973.77	16,631.66	18,605.43	1,207,601.51
8.	2,000.91	16,604.52	18,605.43	1,205,600.60
9.	2,028.42	16,577.01	18,605.43	1,203,572.18
10.	2,056.31	16,549.12	18,605.43	1,201,515.87
11.	2,084.59	16,520.84	18,605.43	1,199,431.28
12.	2,113.25	16,492.18	18,605.43	1,197,318.03
13.	2,142.31	16,463.12	18,605.43	1,195,175.72
14.	2,171.76	16,433.67	18,605.43	1,193,003.96
15.	2,201.63	16,403.80	18,605.43	1,190,802.33
16.	2,231.90	16,373.53	18,605.43	1,188,570.43
17.	2,262.59	16,342.84	18,605.43	1,186,307.94
18.	2,293.70	16,311.73	18,605.43	1,184,014.15
19.	2,325.24	16,280.19	18,605.43	1,181,688.91
20.	2,357.21	16,248.22	18,605.43	1,179,331.70
21.	2,389.62	16,215.81	18,605.43	1,176,942.08
22.	2,422.48	16,182.95	18,605.43	1,174,519.60
23.	2,455.79	16,149.64	18,605.43	1,172,063.82
24.	2,489.55	16,115.88	18,605.43	1,169,574.26
25.	2,523.78	16,081.65	18,605.43	1,167,050.48
26.	2,558.49	16,046.94	18,605.43	1,164,491.99
27.	2,593.67	16,011.76	18,605.43	1,161,898.33
28.	2,629.33	15,976.10	18,605.43	1,159,269.00
29.	2,665.48	15,939.95	18,605.43	1,156,603.51
30.	2,702.13	15,903.30	18,605.43	1,153,901.38
31.	2,739.29	15,866.14	18,605.43	1,151,162.09
32.	2,776.95	15,828.48	18,605.43	1,148,385.14
33.	2,815.14	15,790.30	18,605.43	1,145,570.01
34.	2,853.84	15,751.59	18,605.43	1,142,716.16
35.	2,893.08	15,712.35	18,605.43	1,139,823.08
36.	2,932.86	15,672.57	18,605.43	1,136,890.22
37.	2,973.19	15,632.24	18,605.43	1,133,917.03
38.	3,014.07	15,591.36	18,605.43	1,130,902.95
39.	3,055.52	15,549.92	18,605.43	1,127,847.44
40.	3,097.53	15,507.90	18,605.43	1,124,749.91
41.	3,140.12	15,465.31	18,605.43	1,121,609.79
42.	3,183.30	15,422.13	18,605.43	1,118,426.49
43.	3,227.07	15,378.36	18,605.43	1,115,199.43
44.	3,271.44	15,333.99	18,605.43	1,111,927.99
45.	3,316.42	15,289.01	18,605.43	1,108,611.57

<u>Payment Number</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Outstanding</u>
46.	3,362.02	15,243.41	18,605.43	1,105,249.54
47.	3,408.25	15,197.18	18,605.43	1,101,841.29
48.	3,455.11	15,150.32	18,605.43	1,098,386.08
49.	3,502.62	15,102.81	18,605.43	1,094,883.56
50.	3,550.78	15,054.65	18,605.43	1,091,332.78
51.	3,599.61	15,005.83	18,605.43	1,087,733.17
52.	3,649.10	14,956.33	18,605.43	1,084,084.07
53.	3,699.27	14,906.16	18,605.43	1,080,384.80
54.	3,750.14	14,855.29	18,605.43	1,076,634.66
55.	3,801.70	14,803.73	18,605.43	1,072,832.95
56.	3,853.98	14,751.45	18,605.43	1,068,978.98
57.	3,906.97	14,698.46	18,605.43	1,065,072.01
58.	3,960.69	14,644.74	18,605.43	1,061,111.32
59.	4,015.15	14,590.28	18,605.43	1,057,096.17
60.	4,070.36	14,535.07	18,605.43	1,053,025.81
61.	4,126.33	14,479.10	18,605.43	1,048,899.48
62.	4,183.06	14,422.37	18,605.43	1,044,716.42
63.	4,240.58	14,364.85	18,605.43	1,040,475.84
64.	283.65	14,306.54	14,590.19	1,040,192.19
65.	4,302.79	14,302.64	18,605.43	1,035,889.40
66.	4,361.95	14,243.48	18,605.43	1,031,527.44
67.	268.06	14,183.50	14,451.56	1,031,259.39
68.	4,425.61	14,179.82	18,605.43	1,026,833.77
69.	4,486.47	14,118.96	18,605.43	1,022,347.31
70.	2,529.05	14,057.28	16,586.33	1,019,818.26
71.	266.50	14,022.50	14,289.00	1,019,551.76
72.	2,808.99	14,018.84	16,827.83	1,016,742.77
73.		13,980.21	13,980.21	
74.	4,625.22	13,980.21	18,605.43	1,012,117.55
75.	4,688.81	13,916.62	18,605.43	1,007,428.73
76.	249.58	13,852.15	14,101.72	1,007,179.16
77.	4,756.72	13,848.71	18,605.43	1,002,422.44
78.	4,822.12	13,783.31	18,605.43	997,600.32
79.	234.66	13,717.00	13,951.67	997,365.65
80.	4,891.65	13,713.78	18,605.43	992,474.00
81.	4,958.91	13,646.52	18,605.43	987,515.09
82.	2,739.06	13,578.33	16,317.39	984,776.03
83.	223.66	13,540.67	13,764.33	984,552.37
84.	2,974.96	13,537.60	16,512.56	981,577.40
85.		13,496.69	13,496.69	
86.	5,108.74	13,496.69	18,605.43	976,468.66
87.	5,178.99	13,426.44	18,605.43	971,289.66
88.	206.23	13,355.23	13,561.46	971,083.45
89.	5,253.03	13,352.40	18,605.43	965,830.41
90.	5,325.26	13,280.17	18,605.43	960,505.15
91.	189.56	13,206.95	13,396.51	960,315.59
92.	5,401.09	13,204.34	18,605.43	954,914.50
93.	5,475.36	13,130.07	18,605.43	949,439.14
94.	2,988.55	13,054.79	16,043.34	946,450.59

<u>Payment Number</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Outstanding</u>
95.	177.05	13,013.70	13,190.74	946,273.55
96.	3,176.79	13,011.26	16,188.05	943,096.76
97.		12,967.58	12,967.58	
98.	5,637.85	12,967.58	18,605.43	937,458.91
99.	5,715.37	12,890.06	18,605.43	931,743.54
100.	158.73	12,811.47	12,970.21	931,584.81
101.	5,796.14	12,809.29	18,605.43	925,788.67
102.	5,875.84	12,729.59	18,605.43	919,912.83
103.	140.17	12,648.80	12,788.97	919,772.66
104.	5,958.56	12,646.87	18,605.43	913,814.10
105.	6,040.49	12,564.94	18,605.43	907,773.61
106.	3,261.61	12,481.89	15,743.50	904,512.00
107.	126.02	12,437.04	12,563.06	904,385.98
108.	3,397.69	12,435.31	15,832.99	900,998.29
109.	6,216.84	12,388.59	18,605.43	894,771.45
110.	6,302.32	12,303.11	18,605.43	888,469.12
111.	106.75	12,216.45	12,323.20	888,362.37
112.	6,390.45	12,214.98	18,605.43	881,971.93
113.	6,478.32	12,127.11	18,605.43	875,493.61
114.	86.12	12,038.04	12,124.16	875,407.48
115.	6,568.58	12,036.85	18,605.43	868,838.91
116.	6,658.90	11,946.53	18,605.43	862,180.01
117.	3,560.42	11,854.98	15,415.39	858,619.59
118.	70.18	11,806.02	11,876.20	858,549.41
119.	3,639.41	11,805.05	15,444.46	854,910.00
120.		11,755.01	11,755.01	
121.	6,850.42	11,755.01	18,605.43	848,059.59
122.	6,944.61	11,660.82	18,605.43	841,114.97
123.	49.87	11,565.33	11,615.20	841,065.11
124.	7,040.79	11,564.65	18,605.43	834,024.32
125.	7,137.60	11,467.83	18,605.43	826,886.73
126.	26.97	11,369.69	11,396.67	826,859.75
127.	7,236.11	11,369.32	18,605.43	819,623.64
128.	7,335.61	11,269.83	18,605.43	812,288.04
129.	3,887.39	11,168.96	15,056.35	808,400.65
130.	9.06	11,115.51	11,124.57	808,391.59
131.	3,903.92	11,115.38	15,019.30	804,487.67
132.		11,061.71	11,061.71	
133.	7,543.73	11,061.71	18,605.43	796,943.95
134.	7,634.97	10,957.98	18,592.95	789,308.98
135.		10,853.00	10,853.00	
136.	7,752.43	10,853.00	18,605.43	781,556.55
137.	7,820.99	10,746.40	18,567.39	773,735.56
138.		10,638.86	10,638.86	
139.	7,966.57	10,638.86	18,605.43	765,768.99
140.	8,076.11	10,529.32	18,605.43	757,692.88
141.	4,186.92	10,418.28	14,605.20	753,505.96
142.		10,360.71	10,360.71	
143.	4,193.62	10,360.71	14,554.32	749,312.35
144.		10,303.04	10,303.04	

<u>Payment Number</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Outstanding</u>
145.	8,302.39	10,303.04	18,605.43	741,009.9
146.	8,335.34	10,188.89	18,524.23	732,674.6
147.		10,074.28	10,074.28	
148.	8,531.16	10,074.28	=18,605.43	724,143.4
149.	8,539.14	9,956.97	18,496.12	715,604.3
150.	8,765.87	9,839.56	18,605.43	706,834.4
151.	8,886.40	9,719.03	18,605.43	697,952.0
152.	4,504.76	9,596.84	14,101.60	693,447.2
153.		9,534.90	9,534.90	
154.	4,510.74	9,534.90	14,045.64	688,936.5
155.		9,472.88	9,472.88	
156.	9,132.55	9,472.88	18,605.43	679,803.9
157.	9,101.72	9,347.30	18,449.03	670,702.2
158.		9,222.16	9,222.16	
159.	9,383.27	9,222.16	18,605.43	661,319.0
160.	9,324.99	9,093.14	18,418.12	651,994.0
161.		8,964.92	8,964.92	
162.	9,640.51	8,964.92	18,605.43	642,353.5
163.	9,773.07	8,832.36	18,605.43	632,580.4
164.	4,852.56	8,697.98	13,550.55	627,727.8
165.		8,631.26	8,631.26	
166.	4,857.75	8,631.26	13,489.01	622,870.1
167.		8,564.46	8,564.46	
168.	10,040.97	8,564.46	18,605.43	612,829.14
169.	9,940.34	8,426.40	18,366.74	602,888.8
170.		8,289.72	8,289.72	
171.	10,315.71	8,289.72	18,605.43	592,573.10
172.	10,184.90	8,147.88	18,332.78	582,388.20
173.	10,597.59	8,007.84	18,605.43	571,790.6
174.	10,743.31	7,862.12	18,605.43	561,047.30
175.	5,233.15	7,714.40	12,947.55	555,814.15
176.		7,642.44	7,642.44	
177.	5,237.48	7,642.44	12,879.92	550,576.67
178.		7,570.43	7,570.43	
179.	11,035.00	7,570.43	18,605.43	539,541.67
180.	10,858.00	7,418.70	18,276.69	528,683.68
181.		7,269.40	7,269.40	
182.	11,336.03	7,269.40	18,605.43	517,347.65
183.	11,125.86	7,113.53	18,239.39	506,221.79
184.		6,960.55	6,960.55	
185.	11,644.88	6,960.55	18,605.43	494,576.91
186.	11,805.00	6,800.43	18,605.43	482,771.91
187.	5,649.60	6,638.11	12,287.71	477,122.31
188.		6,560.43	6,560.43	
189.	5,652.99	6,560.43	12,213.42	471,469.32
190.		6,482.70	6,482.70	
191.	12,122.76	6,482.70	18,605.43	459,346.60
192.	11,862.15	6,316.02	18,178.16	447,484.45
193.		6,152.91	6,152.91	
194.	12,452.52	6,152.91	18,605.43	435,031.93
195.	12,155.51	5,981.69	18,137.20	422,876.42
196.		5,814.55	5,814.55	
197.	12,790.88	5,814.55	18,605.43	410,084.44
198.	12,966.75	5,638.68	18,605.43	397,119.79

<u>Payment Number</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Outstanding</u>
199.	6,105.30	5,460.38	11,565.69	391,013.49
200.		5,376.44	5,376.44	
201.	6,107.67	5,376.44	11,484.10	384,905.02
202.		5,292.46	5,292.46	
203.	13,312.97	5,292.46	18,605.43	371,592.05
204.	12,960.94	5,109.40	18,070.34	358,631.90
205.		4,931.19	4,931.19	
206.	13,674.24	4,931.19	18,605.43	344,957.66
207.	13,282.20	4,743.17	18,025.37	331,675.46
208.		4,560.54	4,560.54	
209.	14,044.89	4,560.54	18,605.43	317,630.57
210.	14,238.01	4,367.42	18,605.43	303,392.56
211.	6,603.96	4,171.65	10,775.61	296,788.60
212.		4,080.84	4,080.84	
213.	6,605.20	4,080.84	10,686.04	290,183.40
214.		3,990.02	3,990.02	
215.	14,615.41	3,990.02	18,605.43	275,568.00
216.	14,163.30	3,789.06	17,952.36	261,404.69
217.		3,594.31	3,594.31	
218.	15,011.11	3,594.31	18,605.43	246,393.58
219.	14,515.09	3,387.91	17,903.01	231,878.48
220.		3,188.33	3,188.33	
221.	15,417.10	3,188.33	18,605.43	216,461.39
222.	15,629.08	2,976.34	18,605.43	200,832.30
223.	7,149.62	2,761.44	9,911.06	193,682.69
224.		2,663.14	2,663.14	
225.	15,942.29	2,663.14	18,605.43	177,740.40
226.	5,015.87	2,443.93	7,459.80	172,724.53
227.	16,230.47	2,374.96	18,605.43	156,494.06
228.	16,453.64	2,151.79	18,605.43	140,040.42
229.	16,679.88	1,925.56	18,605.43	123,360.55
230.	16,909.22	1,696.21	18,605.43	106,451.32
231.	17,141.73	1,463.71	18,605.43	89,309.60
232.	17,377.42	1,228.01	18,605.43	71,932.17
233.	17,616.36	989.07	18,605.43	54,315.81
234.	17,858.59	746.84	18,605.43	36,457.22
235.	18,104.14	501.29	18,605.43	18,353.08
236.	18,353.08	252.35	18,605.43	0.00

SCHEDULE II TO SECURITY AGREEMENT

EQUIPMENT DESCRIPTION LIST

<u>TYPE</u>	<u>QUANTITY</u>	<u>MANUFACTURER</u>	<u>SERIAL NUMBERS</u>
Thirty 100 Ton Pressure Differential Railroad Cars 5150 Cubit Ft. Capacity	30	North American Car Corporation	550143, 550144 550154 through 55157, inclusive, 550180 through 550203, inclusive